

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Analyst: V. Salazar

Subject: Proposed Amendment No. 1

## **CONTRACTOR:**

- Contractor's Legal Name Sturdi-Quick Prefabricated Structures
- Multiple Employer: Employer Consortium
- Type of Industry: Construction
- Nature of Business: Steel Framing Construction
- ETP Trainees Represented by Union: No
- Name and Local Number of Union  
Representing ETP Trainees: N/A

## **CONTRACT:**

- Training Project Profile: Job Creation: Training Of Unemployed Workers SET  
Workers With Multiple Barriers To Employment
- Program Costs:
  - Present Program Costs:** \$200,762
  - Amendment Program Costs :** \$271,300
  - Total Program Costs:** \$472,062

## **INTRODUCTION / NARRATIVE:**

Sturdi-Quick Prefabricated Structures (Sturdi-Quick) is a general steel construction company that heads an employer consortium to train and place workers in the steel framing construction industry. The company is eligible to contract with ETP as the lead contractor. (See Title 22 CCR, Section 4400(j)).

Sturdi-Quick is requesting an additional \$271,300 to add Phase II for 50 additional trainees (40 SET/Multiple Barriers in Job Number 3 and 10 CalWORKS recipients in Job Number 4). The Contractor still has 17 months to complete all training and the 90-day retention period, given that the ETP Agreement term runs through August 7, 2008.

There are currently 37 new-hire trainees, all of whom have completed training. Of this group, the first class of trainees are poised to complete retention (14 have been placed with a participating employer and 2 are scheduled to start work at the end of January). The second class finished training on December 22 and are now being placed. Many of these participating employers were unavailable during the holiday period, which slowed down the placement process, but Sturdi-Quick anticipates that the majority of these trainees will be placed by the end of January.

In requesting Phase II funding, Sturdi-Quick states there is a continuing demand for employees with the skills learned under this Curriculum. The Contractor will continue to use the same recruitment plan.

**PROPOSED TRAINING TABLE:**

| Grp/Trainee Type   | Types Of Training | No. Retain | No. Class/Lab Videocnf. Hrs. | No. CBT Hrs. | Cost Per Trainee  | Hourly Wage After 90 Days |
|--|-------------------|------------|------------------------------|--------------|---|---------------------------|
| Phase II<br>Job Number 3<br>SET - Barriers   | Commercial Skills | 40         | 150 - 300                    | 0            | \$5,426   | *\$11.50 - \$14.00        |
| Phase II<br>Job Number 4<br>W2W  | Commercial Skills | 10         | 175 - 300                    | 0            | \$5,426   | *\$9.50 - \$14.00         |
| Wages After 90-Day Retention   |                   |            |                              |              |   |                           |
| <u>Occupations</u>   |                   |            |                              |              |   |                           |
| Construction Worker (W2W)<br>Construction Worker (SET/Barriers)  |                   |            |                              |              |   |                           |
| <u>Health Benefits Used To Meet ETP Minimum Wage:</u><br><br>*The ETP minimum hourly rate is \$10.75 for Los Angeles, Orange, Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara Counties. However, the participating employers will pay post-retention wages of at least \$11.50 per hour for Job 1 trainees.<br><br>The reduced minimum wage for Job Number 2 and <b>Job Number 4</b> trainees is consistent with the Panel's W2W pilot program guidelines.<br><br>Health benefits may be added to the trainees wages to meet the ETP minimum wage for <b>Job Numbers 1, 2, 3, 4.</b> |                   |            |                              |              | <u>% Of Mgrs &amp; Supervisors To Be Trained:</u><br><br>0% |                           |
| <u>Other Employee Benefits:</u><br><br>Other employee benefits vary by participating employer  |                   |            |                              |              |   |                           |

**RECOMMENDATION:**

Staff recommends approval of this Amendment proposal based on the Contractor's successful performance to date. Staff notes that Phase II will include CalWORKS recipients, representing 20 percent of the trainee population. Otherwise, this additional phase of training is almost identical to that of the current ETP Agreement.

By this Amendment, training will be made available to an additional 50 unemployed workers in a hard-to-serve population, giving them opportunity to gain skills that will lead to secure employment. This proposal would train workers in construction, an industry that is a funding priority under the Panel's Strategic Plan. In addition, this proposal would prevent construction industry employers from hiring out-of-state workers, in favor of qualified California trainees with a nationally-recognized certificate.

**CURRENT TRAINING PHASE:**

| CURRENT TRAINING PHASE |                               |                 |                           |                             |
|------------------------|-------------------------------|-----------------|---------------------------|-----------------------------|
| Term                   | Planned Number To Be Retained | Number Enrolled | Number Completed Training | Number Retained For 90 Days |
| 08/08/2006 – 08/07/08  | 37                            | 44              | 37                        | 0                           |

*ET07-0131 – Sturdi-Quick representatives report that 37 trainees have completed training and that 13 have been placed thus far and in their retention period.*